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Approved For Release 2004/08/31 : CIA-RDP74B00283R000100150014-3

NATIONAL RECONNAISSANCE OFFICE
WASHINGTON, D.C.

OFFICE OF THE DIRECTOR



NOV 27 1969

MEMORANDUM FOR THE DIRECTOR OF CIA RECONNAISSANCE PROGRAMS
DIRECTOR, PROGRAM D

SUBJECT: Ex Com FY 1970 Budget Decision, U-2 Aircraft

At the Ex Com 13 November 1968 meeting on the FY 1970 NRP budget, a decision was made on the U-2 programs that (1) the currently-programmed allocation of 6 U-2R's to CIA and 6 to SAC would continue; (2) that U-2 C/G aircraft would be placed in flyable storage until needed to individually replace U-2R attrition, thereby maintaining a total of 6 U-2's each for CIA and SAC; (3) that the replacement U-2C/G's would be used for training and operational missions where vulnerability is not an important factor, and (4) that the aircraft allocations between the Agency and SAC should not be considered inflexible and should be subject to change if circumstances warrant. In addition, Air Force Systems Command would fly 3 U-2 A/F's, subject to attrition without replacement (an FY 1970 average of 2.5 aircraft was assumed). Costs were based on the assumption that these conditions applied thruout FY 1970.

The purpose of this memorandum is to initiate planning for implementation of this budget decision. My present assessment in this connection is:

1. The U-2 C/G's should not be placed in flyable storage until after all U-2R's have been delivered and operating. This should place the storage actions in the 4th quarter of FY 1969.

2. Storage would be "in place," rather than in a special storage facility. "In place" in this connection is intended to cover location either at the present base or at another CIA or SAC base having U-2's (for instance, storing C/G aircraft [redacted] at Edwards).

3. "Flyable storage" in this case is intended to include preventive maintenance, periodic checks on installed equipments, and the maintenance of adequate spares. If new or replacement equipments are procured for U-2C/G's, all aircraft will generally be retrofitted. However, this does not include the assignment of full-time contractor or SAC personnel to the stored aircraft, nor generally contractor technical representatives. U-2R support personnel should be used for U-2C/G purposes where possible.

NRO review(s) completed.

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CONTROL

Cy 5, Series B

4. Existing spares assets for U-2C/G's should be retained. New procurements of spares for U-2C/G's should be limited by attrition and lead time considerations; i.e. spares should generally be bought only to the extent that the C/G's are expected to be a part of the 6 U-2 total inventory for each of CIA and SAC, until the next fiscal year funding can provide for continuing spares fabrication without a production gap.

5. The allocation of U-2C/G's between CIA and SAC should be reassessed, in view of recent transfers from CIA to SAC, as now compared with a 6-6 split on operating U-2's.

6. Inasmuch as all U-2C/G's are to be retained for replacement of U-2R aircraft as they are attrited, and also for subsequent replacement of these operating U-2C/G's as they are attrited, no U-2C/G's are to be considered as available for transfer to other users. However, utilization of these aircraft by operating units to meet requirements of other government organizations may be arranged on a reimbursement bases, subject to DNRO approval.

7. The 6 total each for CIA and SAC are to cover operational missions, training requirements, test requirements, and ferry requirements, as applicable.

8. The Idealist "Peculiar," Senior Year "Peculiar," and Idealist/Senior Year Common budget and funding accounts will still apply. FY 1970 financial program recommendations would be on the preceding bases, and there may be changes in FY 1969 current funding approvals as a result of the 4th quarter storage considerations.

9. It is believed that the "Scope Cotton" type of decisions are not necessary in this instance. However, periodic status reports of implementing planning and accomplished actions should be submitted to the DNRO.

I would like your reactions to the preceding assumptions and your suggestions as to any additional that you feel are required or any counter-proposals which should be considered.

ALEXANDER H. FLAX
Director

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